

Message Text

UNCLASSIFIED

PAGE 01 NICOSI 00803 01 OF 02 271332Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
L-03 NSAE-00 PA-02 SP-02 SS-15 NSCE-00 SSO-00
USIE-00 INRE-00 AID-05 COME-00 EB-08 FRB-01
TRSE-00 XMB-04 OPIC-06 LAB-04 SIL-01 OMB-01 CEA-01
STR-07 IO-14 AGRE-00 DOE-15 SOE-02 DOEE-00 HA-05
OES-07 /133 W

-----004284 271356Z /45

O R 271245Z MAR 78
FM AMEMBASSY NICOSIA
TO SECSTATE WASHDC IMMEDIATE 7501
INFO AMEMBASSY ATHENS
AMEMBASSY ANKARA

UNCLAS SECTION 1 OF 2 NICOSIA 0803

E.O. 11652: N/A
TAGS: PGOV, EAID, TU, GR, CY
SUBJECT: SECURITY ASSISTANCE: COUNTRY DATA

REF: STATE 75638

I. FOLLOWING INFORMATION REFERS ONLY TO GOVERNMENT OF
CYPRUS CONTROLLED (SOUTHERN) AREA OF CYPRUS.

A. ECONOMIC PROFILE

--POPULATION: 508,000, GROWTH RATE 0.9 PERCENT, 9,500
BIRTHS PER YEAR.
--INCOME: PROVISIONAL 1977 - \$2,098 (1 CYPRUS POUND EQUALS
\$2.60). AVERAGE RATE OF GROWTH PER CAPITA INCOME OVER LAST
YEARS: 6 PERCENT.
--GROWTH: CYPRUS ECONOMY WAS GROWING AT 5.5 PERCENT PER YEAR
UNTIL EVENTS OF 1974 DISRUPTED ECONOMY. RECOVERY HAS BEEN
RAPID. GROWTH NOW AVERAGING 6.5 PERCENT PER YEAR. CONTINUED
GROWTH DUE TO INCREASING AGRICULTURAL AND LIGHT INDUSTRIAL
EXPORTS TO MIDDLE EAST.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NICOSI 00803 01 OF 02 271332Z

--BALANCE OF PAYMENTS: FAVORABLE MARKET CONDITIONS FOR CYPRUS
POTATOES AND FINANCIAL TRANSFERS DURING LEBANESE CRISIS RESULTED
IN SIGNIFICANT BOP SURPLUS IN 1976. SUBSTANTIAL INCREASE IN
IMPORTS IN 1977 (PARTICULARLY FOR CAPITAL GOODS) REDUCED SURPLUS
BUT EARNINGS FROM TOURISM KEEP IT POSITIVE. BOP DEFICIT IN 1978
LIKELY UNLESS GOC CAN DAMPEN DEMAND FOR IMPORTS. FORTUNATELY
STRONG GOC FOREIGN EXCHANGE POSITION AND LOW DEBT SERVICE RATIO

MAKE LOAN PROSPECTS GOOD SHOULD INVISIBLES NOT COVER DEFICIT.

--TRADE: MAJOR EXPORTS AS PERCENT OF TOTAL EXPORTS:

POTATOES, CARROTS, AND OTHER FRESH VEGETABLES 17 PERCENT;
FOOTWEAR AND CLOTHING 14 PERCENT; CEMENT 8.5 PERCENT; WINE
PRODUCTS 8.4 PERCENT; MINERALS 6.5 PERCENT; CITRUS 5.2 PERCENT.

CYPRUS IS DEPENDENT ON UK AS MARKET FOR POTATOES AND VINE
PRODUCTS. NEW EEC IMPORT RESTRICTIONS WILL FORCE CYPRUS TO
DIVERSIFY ITS MARKETING EFFORTS. ALREADY MOST FOOTWEAR, CLOTH-
ING AND CEMENT EXPORTS GO TO MIDDLE EAST.

--LITERACY RATE: 89 PERCENT

-- LIFE EXPECTANCY: 73 YEARS (MALE 72, FEMALE 74)

-- PEOPLE PER DOCTOR: ONE PER 1100 PEOPLE.

-- NUTRITION: NO STATISTICS AVAILABLE.

B. POLITICAL SITUATION

-- FORM OF GOVERNMENT. EACH SECTION OF CYPRUS IS GOVERNED BY A
DEMOCRATICALLY ELECTED PRESIDENT AND PARLIAMENT. THE UNITED
STATES DOES NOT RECOGNIZE THE ADMINISTRATION OF THE NORTHERN
(TURKISH CYPRIOT) SECTION BUT PROVIDES ASSISTANCE TO THE TURK-
ISH CYPRIOT COMMUNITY THROUGH THE UNHCR. THE U.S. RECOGNIZES
THE GOVERNMENT OF CYPRUS HEADED BY PRESIDENT KYPRIANOU AS THE
LEGITIMATE GOVERNMENT.

-- PARTICULAR PROBLEMS. CYPRUS HAS BEEN PLAGUED BY RIVALRY AND
VIOLENCE BETWEEN THE GREEK AND TURKISH COMMUNITIES SINCE BEFORE
INDEPENDENCE. A PARTICULARLY VIOLENT OUTBREAK OF FIGHTING IN
1963 AND 1964 WAS FOLLOWED BY WITHDRAWAL OF THE TURKISH COM-
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 NICOSI 00803 01 OF 02 271332Z

MUNITY FROM PARTICIPATION IN THE GOVERNMENT; THE MAJORITY OF THIS
COMMUNITY MOVED INTO ENCLAVES. IN JULY 1974, THEN PRESIDENT
MAKARIOS WAS TEMPORARILY FORCED FROM POWER IN A COUP INSTIGATED
BY THE JUNTA WHICH WAS IN POWER IN GREECE. SHORTLY THEREAFTER
MAINLAND TURKISH MILITARY FORCES LANDED IN CYPRUS, FINALLY
OCCUPYING ABOUT 36 PERCENT OF CYPRIOT TERRITORY. TURKEY HELD
THAT IT WAS ACTING UNDER ITS RESPONSIBILITIES AS A GUARANTOR OF
THE CYPRUS CONSTITUTION AND IN ORDER TO PROTECT THE TURKISH CYP-
RIOT COMMUNITY. AT PRESENT VIRTUALLY ALL TURKISH CYPRIOTS LIVE
IN THE NORTHERN ZONE AND ALL BUT A HANDFUL OF GREEK CYPRIOTS
LIVE IN THE GOVERNMENT CONTROLLED ZONE. THERE IS PRACTICALLY
NO DIRECT COMMUNICATION BETWEEN THE TWO ENTITIES. EFFORTS ARE
BEING MADE UNDER THE AUSPICES OF THE UN SECRETARY GENERAL TO
RESUME INTERCOMMUNAL TALKS AS A MEANS OF FINDING A SOLUTION TO
THE CYPRUS PROBLEM. THE TURKISH GOVERNMENT AND THE TURKISH
CYPRIOT AUTHORITIES HAVE RECENTLY UNDERTAKEN TO PRESENT PROPOSALS
SOON ON THE CONSTITUTIONAL AND TERRITORIAL ISSUES FOR NEGOTIATION
IN RESUMED INTERCOMMUNAL TALKS.

C. HUMAN RIGHTS CONDITIONS. BOTH CYPRIOT COMMUNITIES HAVE
UNDOUBTEDLY SUFFERED NUMEROUS SERIOUS VIOLATIONS OF THEIR HUMAN
RIGHTS AS A RESULT OF FLARING OF INTERCOMMUNAL VIOLENCE, AND

THE 1974 COUP AND INVASION. AT PRESENT THERE IS NO EVIDENT PATTERN OF GROSS VIOLATIONS OF HUMAN RIGHTS AGAINST PERSONS UNDER THEIR CONTROL ON THE PART OF EITHER PARTY. THE GOVERNMENT OF CYPRUS MAINTAINS THAT THE OCCUPATION OF NORTHERN CYPRUS IS IN ITSELF A CONTINUING VIOLATION OF HUMAN RIGHTS.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 NICOSI 00803 02 OF 02 271344Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10
L-03 NSAE-00 PA-02 SP-02 SS-15 NSCE-00 SSO-00
USIE-00 INRE-00 AID-05 COME-00 EB-08 FRB-01
TRSE-00 XMB-04 OPIC-06 LAB-04 SIL-01 OMB-01 CEA-01
STR-07 IO-14 AGRE-00 DOE-15 SOE-02 DOEE-00 HA-05
OES-07 /133 W

-----004331 271357Z /45

O R 271245Z MAR 78
FM AMEMBASSY NICOSIA
TO SECSTATE WASHDC IMMEDIATE 7502
INFO AMEMBASSY ATHENS
AMEMBASSY ANKARA

UNCLAS SECTION 2 OF 2 NICOSIA 0803

II. U.S. INTEREST AND POLICIES

A. POLITICAL. THE UNITED STATES SUPPORTS THE RESUMPTION OF INTERCOMMUNAL TALKS, BASED ON REALISTIC PROPOSALS, AS THE BEST MEANS OF RESOLVING THE CYPRUS PROBLEM. THE U.S. IS PREPARED TO ASSIST THE SECRETARY GENERAL'S EFFORTS IN THIS CONNECTION WHENEVER THERE IS AN OPPORTUNITY TO DO SO.

B. SECURITY. THE PRINCIPAL U.S. SECURITY INTEREST IN CYPRUS IS THAT IT BE A STABLE, PROSPEROUS, PEACEFUL COUNTRY WHICH WILL CONTRIBUTE TO STABILITY IN THE EASTERN MEDITERRANEAN AND WILL ALLEVIATE DIFFERENCES BETWEEN TWO IMPORTANT NATO ALLIES, GREECE AND TURKEY.

C. U.S. HAS LITTLE ECONOMIC INTEREST IN CYPRUS. IMPORTS FROM US TOTALLED \$36.9 MILLION IN 1977. WHEAT, FEED GRAINS AND TOBACCO MAKE UP 58 PERCENT OF TOTAL. US INVESTMENT, PRIMARY BY MOBILE AND ESSO, IS ESTIMATED AT ONLY \$16 MILLION.

III. FOREIGN ASSISTANCE PROGRAMS

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NICOSI 00803 02 OF 02 271344Z

A. U.S. DOES NOT PROVIDE BILATERAL ASSISTANCE TO CYPRUS.

B. IFI PROGRAMS (1974-1978):

-- IBRD: COMMITMENTS \$60.7 MILLION

-- MISCELLANEOUS: \$107.4 MILLION

C. OTHER DONORS (TOTALS 1974-1978):

-- GREECE: \$122.4 MILLION (GRANT)

-- EECC \$18.1 MILLION (FOOD COMMODITIES)

-- OTHER COUNTRIES: \$10.7 MILLION

-- PRIVATE DONORS (CHURCH GROUPS ETC.): \$71 MILLION

-- UNHCR AND ICRC: \$104.2 MILLION (OF WHICH \$87.5 MILLION

GRANTED BY USAID)

-- WFP (AGRICULTURAL DEVELOPMENT AND SCHOOL FEEDING PROGRAM):

\$12 MILLION.

IV. OBJECTIVES OF U.S. ASSISTANCE: US SUPPORTING ASSISTANCE OF \$92.5 MILLION (WHICH INCLUDES PROPOSED \$5 MILLION FOR FY79) IS CHanneled THROUGH UNHCR FOR RELIEF AND REHABILITATION PROGRAMS. FULL DETAILS ALL PROGRAMS AVAILABLE AID/W.

V. OTHER INFORMATION RELEVANT TO U.S. FOREIGN ASSISTANCE. IN THE TURKISH CYPRIOT AREA (NORTH) THERE IS LITTLE RELIABLE DATA ON ECONOMIC CONDITIONS. LIVING STANDARDS ARE WELL BELOW THOSE OF THE SOUTH -- ONE ESTIMATE NOW PLACES 1977 GNP PER CAPITA IN THE NORTH AT \$1217.00 AS COMPARED WITH JUST OVER \$2,000 IN THE SOUTH. HOWEVER, PRODUCTION AND EXPORTS ARE SLOWLY RISING; MOST INFRASTRUCTURAL NEEDS HAVE BEEN MET, INCLUDING VILLAGE WATER AND ELECTRIFICATION. PROGRESS IS BEING MADE DESPITE SHORTAGES OF TECHNICAL, ENTREPRENEURIAL AND MANAGERIAL SKILLS AND A LACK OF FOREIGN EXCHANGE.

CRAWFORD

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 NICOSI 00803 02 OF 02 271344Z

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SECURITY, DATA, TECHNICAL ASSISTANCE, COUNTRY INFORMATION PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 mar 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NICOSI00803
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780132-0988
Format: TEL
From: NICOSIA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780322/aaaaaskv.tel
Line Count: 215
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 68b912bd-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: 78 STATE 75638
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3195555
Secure: OPEN
Status: NATIVE
Subject: SECURITY ASSISTANCE: COUNTRY DATA
TAGS: PGOV, EAID, TU, GR, CY
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/68b912bd-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014